



## Session # 31

### **FSA Assessments: Evaluation Tool To Keep You On Track!**

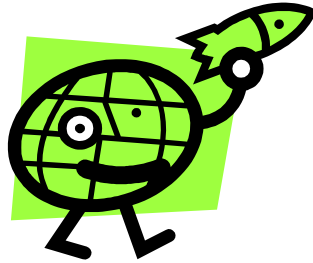


**How to use the FSA Assessments to get and keep your school on the right track to improved compliance!**

### **Hands-On Activity**



## Session Objectives



### **In this session you will learn...**

- What the FSA Assessments are and how many are available.
- Where to locate and how to navigate the assessments.
- How to use the resources, links, forms, worksheets, activities and learning scenarios included in the assessment modules.
- How to use the Management Enhancement and Effective Practice Forms.
- What is in it for me: How you can use the assessments to keep your school on the right track and improve compliance efforts.



## What are the FSA Assessments?

The FSA Assessments are Tools to prevent and/or identify compliance issues, implement Management Enhancements (Action Plans) for noted problems and share Effective Practices. The FSA Assessments are designed to be used in a variety of ways: schools can use the assessments to resolve issues found in annual audits or program reviews, assist with training new staff in their offices, prepare for audit or program reviews or, use as a means to be proactive and promote continuous improvement.

The assessments can help you:

1. Anticipate and address problems
2. Spot-check the systems you are using to manage information
3. Prepare for your audit or other review
4. Maximize the efficiency of your staff in handling their duties
5. Revise your approaches according to your campus needs – and do so continually

## Let us briefly review the 22 assessments currently available.

Category	Module	Description
<b>Students</b>	Student Eligibility	Based on a review of a small sample of student files, evaluates the effectiveness of the financial aid policies and procedures concerning student eligibility (e.g., citizenship, valid social security number, enrolled as a regular student in an eligible program, etc.).
<b>Students</b>	Awarding Aid	Based on a review of a small sample of student files, evaluates the effectiveness of the school's Title IV awarding procedures (e.g., Pell Grant eligibility and award amount).
<b>Students</b>	Satisfactory Academic Progress	Helps the school determine if its SAP policy complies with federal regulations (e.g., SAP policy is in writing).
<b>Students</b>	Verification	Evaluates the school's procedures related to Verification policies and procedures.
<b>Schools</b>	Institutional Eligibility	Evaluates the management procedures regarding Institutional Participation (e.g., approved Program Participation Agreement).
<b>Schools</b>	Consumer Information	Assists schools with requirements for Consumer Information. Includes all applicable requirements and examples of such, followed by questions to review Consumer information requirements in place at the school to determine if these requirements are in compliance with all applicable regulations.
<b>Schools</b>	Default Management	Assists schools in understanding cohort default rate calculations, challenges, adjustments and appeals; and helps schools to prevent students from defaulting on Federal student loans.
<b>Schools</b>	Recertification	Helps the school update its recertification application by providing instructional information and asking for a review of policies and procedures to ensure compliance with all applicable requirements.
<b>Schools</b>	Change In Ownership	Helps schools prepare for the process of a change in ownership and respond to the specific requirements throughout the process. Includes specific instructions for Mergers.
<b>Managing Funds</b>	Fiscal Management	Evaluates the effectiveness of the institution's Title IV fiscal procedures.
<b>Managing Funds</b>	Disbursing Aid	Evaluates the effectiveness of the school's Title IV disbursement procedures.
<b>Managing Funds</b>	Reporting & Reconciling	Evaluates the school's management procedures regarding the effectiveness of and compliance with Reporting and Reconciliation.
<b>Managing Funds</b>	Return of Title IV Funds	Ensures that Title IV funds are handled correctly when a recipient of those funds ceases to be enrolled prior to the end of the period of enrollment for which the recipient was charged.
<b>Managing Funds</b>	Perkins Awarding & Disbursement	Evaluates the schools procedures regarding the awarding and disbursing of Federal Perkins Loans.
<b>Managing Funds</b>	Perkins Due Diligence	Evaluates the school's procedures regarding Federal Perkins Loan collections.
<b>Managing Funds</b>	Perkins Repayment	Evaluates the school's procedures regarding Federal Perkins Loan repayment.



Category	Module	Description
<b>Managing Funds</b>	Perkins Cancellation	Evaluates the school's procedures regarding Federal Perkins Loan cancellation.
<b>Managing Funds</b>	Perkins Forbearance & Deferment	Evaluates the school's procedures related to Federal Perkins Loan forbearance and deferment.
<b>Managing Funds</b>	FSEOG	Evaluates Federal Supplemental Opportunity Grant Program policies, procedures and operations to ensure compliance with these Title IV areas.
<b>Managing Funds</b>	Federal Work-Study	Evaluates Federal Work Study Program policies, procedures and operations to ensure compliance with these Title IV areas.
<b>Campus Needs</b>	Automation	Evaluates management procedures regarding and compliance with automation.
<b>Campus Needs</b>	Administrative Capabilities	Helps the school determine Title IV and non-Title IV areas where management operations should be assessed.

## Where can you find the FSA Assessments?



**Answer:** Visit the Web address

Now we will actually go and find the web site and begin navigating through the assessments.

### Instructor Demonstration:

#### Web address

- FSA Portal address: <http://fsa4schools.ed.gov/>

Step	Action
1	Click on the Internet Icon
2	Type in the web address: <a href="http://fsa4schools.ed.gov/">http://fsa4schools.ed.gov/</a> . Click <b>Enter</b> .
3	Under <b>Resources &amp; Training</b> , click <b>FSA Self-Assessments Tool</b>
4	The four categories of assessments are listed. Within each category, you will find several different assessments. By clicking on a specific category, you can choose any assessment within that category. For this example, we will click <b>Schools</b> .
5	Select <b>Institutional Eligibility</b> . Scroll down to the bottom of the page.
6	Click back button twice. This will prepare you for the activity on the next page.

## How to navigate the assessments

- Review the menu of components on the left hand side of each assessment.
- Within each component, there are numerous activities, exercises, Q&A's, as well as case studies to reinforce learning.
- Each component is linked to regulations, FSA Handbook, Dear Colleague Letters, etc.
- Each assessment has a Management Enhancement link to assist a school with follow through on a corrective action identified.
- Review symbols





# Getting started with the FSA Assessments

## Instructor Demonstration

**Purpose:** To show the user how to get started with using the FSA Assessments.

Step	Action
1	Click on the <b>Students</b> category. Here you will find 4 assessments related to Student Eligibility.
2	Click <b>back</b> button.
3	Click on the <b>Schools</b> category. Here you will find 5 assessments related to Institutional Eligibility.
4	Click <b>back</b> button.
5	Click on the <b>Managing Funds</b> category. Here you will find 11 assessments related to managing funds at your school.
6	Click <b>back</b> button.
7	Click on the <b>Campus Needs</b> category. Here you will find 2 assessments related to Automation (Electronic Processes) and Administrative Capabilities.
8	Click <b>back</b> button.
9	Click on the <b>Students</b> category.
10	Click <b>Student Eligibility</b> .
11	In the top right hand portion of the assessment, click <b>Download this assessment to your computer</b> . This will bring up a blank copy of the assessment in Microsoft Word. You can then save this to your computer by clicking on file and save as in the word document. We will not be doing this during this training.
12	Close the Microsoft Word Document and Return to the Student Eligibility Module.
13	Click <b>back</b> button twice. Close the browser to exit the internet.



### Helpful Hints:

1. It is highly recommended that you navigate through each section before downloading the blank assessment to your computer.
2. When completing an assessment, please make sure to download all activities for completion.
3. When printing an assessment, please make sure you print the assessments and all activities.



## Introducing the FSA Institutional Eligibility Assessment –

**Purpose:** The purpose of this demonstration is to show the participant how to navigate and experience the FSA Institutional Eligibility Assessment.

### **What is the FSA Institutional Eligibility Assessment?**

The Institutional Eligibility Assessment is a tool to assist Schools, Program Review Staff, Institutional Improvement Specialists (IIS), and Auditors with issues related to Institutional Eligibility. It was designed to “house” the information the Department provides on Institutional Eligibility in one place and in a user-friendly, logical order. It incorporates direct links to Institutional Eligibility related sources such as the Federal Law, Federal Regulations, FSA Handbook, Audit Guide, and the Electronic Application To Participate (EAPP).

The Assessment allows the user to complete activities related to Institutional Eligibility such as Accrediting & State Agency Approval requirements, Consortium and Contractual Agreements, non-degree programs, and additional locations.

The Assessment was redesigned in 2003 with additional activities to provide a school with more tools to assess the requirements related to Institutional Eligibility.



## Hands-on Exercise

### Components: An introduction to the Program Participation Agreement Component of the Institutional Eligibility Assessment

Step	Action
1	Select <b>Internet Explorer</b> .
2	Type in the following address: <a href="http://fsa4schools.ed.gov">http://fsa4schools.ed.gov</a> . Hit <b>enter</b> .
3	Under Resources & Training, click <b>FSA Self-Assessments Tool</b> .
4	From the top Navigation bar, click <b>Favorites</b> . Click <b>Add to Favorites</b> . A pop-up Box will appear. In the box, you may want to name this favorite link. Type <b>FSA Assessments</b> . You have now added the FSA Assessments to your Favorite links for easy access. Select <b>OK</b> .
5	From the menu, select <b>Schools</b> . Then select <b>Institutional Eligibility</b> .
6	Select from the menu, <b>Program Participation Agreement</b>
7	Select the link <b>668.14</b>
8	Click <b>back</b> button
9	Select <b>Program Participation Agreement Checklist</b>
10	Click <b>back</b> button

- Provides regulatory requirements related to a school's Program Participation Agreement (PPA).
- Provides a mechanism to ensure that PPA requirements are met.
- The checklist provides an opportunity to check compliance related to PPA requirements

### Components: An introduction to the Accreditation/State Approval Component of the Institutional Eligibility Assessment

Step	Action
1	Select From the Menu, <b>Accreditation/State Approval</b>
2	At the bottom of the left hand section, Select <b>Accrediting Agency Information</b>
3	Select <b>back</b> button
4	Select <b>Activity 1 Accrediting Agency Exercise</b>
5	Click <b>back</b> button
6	Select <b>Activity 2 State Licensing Agency Exercise</b>
7	Click <b>back</b> button

- Accrediting Agency Information provides the most updated list of all accrediting agencies recognized by the U.S. Department of Education.
- Activity 1 - Provides a worksheet to answer questions to ensure that the school's accrediting agency information is updated and that any accrediting agency concerns have been addressed. Could be used prior to a review or site visit. Could also be used as a preparation for Recertification.
- Activity 2 – Provides a worksheet to answer questions to ensure that the school's state licensing information is updated and that any state licensing agency concerns have been properly addressed. Could be used prior to a review or site visit. Could also be used as a preparation for Recertification.



### Components: An introduction to the Administrative Capability Component of the Institutional Eligibility Assessment

Step	Action
1	Select from the Menu, <a href="#">Administrative Capability</a>
2	Review Continuous Improvement Information

- Identifies Administrative Capability requirements for Title IV programs. Allows schools to complete checklist to ensure requirements are being met.



**Helpful Hint:** The **Administrative Capability** section of the Institutional Eligibility Assessment provides general Administrative Capability Requirements as they relate to Institutional Eligibility. For more detailed requirements regarding Administrative Capabilities, a school may find it helpful to complete the **Administrative Capabilities Module** located in the **Campus Needs** section of the FSA Assessments.

### Components: An introduction to the Financial Responsibility and Consumer Information Components of the Institutional Eligibility Assessment

Step	Action
1	Select from the Menu <a href="#">Financial Responsibility</a>
2	Review Continuous Improvement Information
3	On the bottom left column of the section, click <a href="#">FSA Fiscal Module</a>
4	Click <a href="#">back</a> button
5	From the menu, select <a href="#">Consumer Information (highlighted in yellow)</a>
6	Select <a href="#">Activity #3 Consumer Information</a>
7	Click <a href="#">back</a> button
8	On the bottom left column, click <a href="#">FSA Consumer Information Module</a>
9	Click <a href="#">back</a> button

- Identifies Financial Responsibility requirements for Title IV programs. Allows schools to complete checklist to ensure requirements are being met.
- Provides links to other Assessments Related to these sections
- Activity #3 allows schools to review consumer information to ensure that the minimum requirements are being met.



**Components: An introduction to the Written Arrangements Between Schools Component of the Institutional Eligibility Assessment**

Step	Action
1	Select from the Menu <b>Written Arrangements Between Schools</b>
2	In the left hand column of the section, click <b>668.5</b>
3	Click <b>back</b> button
4	Select <b>Activity #4 Consortium Agreements</b>
5	Click <b>back</b> button
6	Select <b>Activity #5 Contractual Agreements</b>
7	Select <b>back</b> button

- Provides a direct link to 668.5 regulation related to Written Arrangements Between Schools
- Activity #4 provides a school with a worksheet to check all Consortium Agreements at the school to ensure that the minimum requirements have been met. The worksheet is also a useful resource if the school is considering entering into a Consortium Agreement with another school.
- Activity #5 provides a school with a worksheet to check all Contractual Agreements at the school to ensure that the minimum requirements have been met. The worksheet is also a useful resource if the school is considering entering into a Contractual Agreement with another school.



**QUESTION:**


1. Your school would like to enter into an agreement with a non Title IV eligible entity. What type of agreement should they consider? : **(Hint: Answer can be found in Activity #5).**  
\_\_\_\_\_
2. If the school wishes to enter into such an agreement with the non Title IV eligible entity, the school should ensure that no more than \_\_\_% of the program is provided at the ineligible school (if the two schools are separately owned or controlled)
3. The school should make sure to contact the \_\_\_\_\_ Agency or \_\_\_\_\_ Agency (in the case of a public postsecondary vocational school) and receive confirmation in writing that the agreement meets the agencies standards for contracting out educational services.
4. True or False: A Consortium agreement is an agreement between Title IV eligible schools

### Components: An introduction to the Program Eligibility/Academic Year Requirements Component of the Institutional Eligibility Assessment

Step	Action
1	Select <a href="#">Program Eligibility/Academic Year Requirements</a>
2	In the left hand column of the section, click <a href="#">600.7</a>
3	Click <a href="#">back</a> button.
4	In the right-hand column, select <a href="#">Activity #6 Program Eligibility/Academic Year Requirements</a>
5	Click <a href="#">back</a> button.

- Provides a direct Link to regulations and FSA Handbook citations related to Program and Academic Year Requirements.
- Activity #6 allows schools to “spot check” procedures related to Program Eligibility and make Management Enhancements if needed.

### Components: An introduction to the Reporting Changes To Title IV Application Data Component of the Institutional Eligibility Assessment

Step	Action
1	Select from the menu, <a href="#">Reporting Changes To Title IV Application Data</a>
2	In the left hand column of the section, select <a href="#">600.21</a>
3	Click <a href="#">back</a> button
4	In the left hand column of the section, select <a href="#">2003-04 FSA Handbook, Institutional &amp; Program Eligibility, pages 2-306 through 2-315</a> . Scroll down to page 2-306.
5	Click <a href="#">back</a> button
6	Review <a href="#">Continuous Improvement</a> Information in the right hand column of the screen
7	In the left hand column of the screen, select <a href="#">FSA Recertification Module</a>
8	Click <a href="#">back</a> button
9	At the bottom of the right hand column, select <a href="#">Activity #7 Additional Locations</a>
10	Click <a href="#">back</a> button
11	Scroll down to the bottom of the screen and click <a href="#">Next</a>  button.
12	In the bottom left hand column of the screen, select <a href="#">FSA Change In Ownership Module</a>
13	Click <a href="#">back</a> button
14	In the right hand column, select <a href="#">Activity #8 Non-degree Programs</a>
15	Click <a href="#">back</a> button

- Provides easy access to regulations and FSA Handbook guidance related to Institutional Eligibility and Reporting Changes to Title IV Application Data
- Continuous Improvement Checklist allows school to check Program Participation Agreement to ensure compliance with requirements
- Provides hyperlinks to modules related to Institutional Eligibility such as Recertification and Change In Ownership
- Activity #7 provides a useful exercise to make sure all additional locations have been reported and approved by the U.S. Department of Education
- Activity #8 provides a useful exercise to ensure that all non-degree programs offered at a school have been reported and approved by the U.S. Department of Education



QUESTION:

1. If your school offers \_\_\_% or more of an educational program at locations other than your main campus, your institution must have approval from the U.S. Department of Education for all these locations. **(Hint: Answer can be found by clicking from the menu of the Assessment, *Reporting Changes To Application Data*).**
2. A school is required to report changes to certain information on its approved Application. Some of these changes require the Department's written approval before the school may disburse the FSA Program funds, others do not. When any change occurs, your institution must notify the Department via the electronic application within \_\_\_calendar days of the change **(Hint: Answer can be found by clicking from the menu of the Assessment, *Reporting Changes To Application Data*).**

#### Components: An introduction to the Final Checklist Section of the Institutional Eligibility Assessment

Step	Action
1	Select from the menu, <a href="#">Final Checklist</a>
2	Select <a href="#">Effective Practice Report</a>
3	Select <a href="#">back</a> button
4	Select <a href="#">Management Enhancement Worksheet</a>
5	Select <a href="#">back</a> button
6	Select <a href="#">Technical Assistance Resources</a>
7	Click <a href="#">back</a> button
8	Select <a href="#">Consumer Information Module</a>
9	Select <a href="#">back</a> button

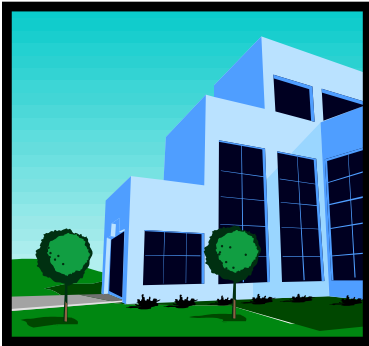
- Final Checklist contains links to Management Enhancement and Effective Practices
- Provides links to Technical Assistance Resources
- Provides direct links to all other modules related to Institutional Eligibility



## Final Analysis of Institutional Eligibility Assessment

**How can the Institutional Eligibility Assessment help the following institution?**

A school dilemma...



Let's imagine that... **Scenario 1**

You are the new Financial Aid Director at your school. You receive a copy of your latest annual audit and your auditor has questioned some additional locations at your school. According to the auditor's report, there were additional locations other than your main campus where 50 percent or more of an eligible program was offered. Further, your auditor noted some non-degree programs that were not approved by the U.S. Department of Education. Since you were not at the school when the audit was conducted, you want to ensure that these deficiencies are corrected. Further, you want to confirm that they were actually valid findings.

Additionally, you recently received a letter from the ED Case Management Team that works with your school, informing you that your Recertification Application will expire in the next few months. You also want to get a head start on the Recertification process and ensure that everything related to your Program Participation Agreement is in order.



**How can using the Institutional Eligibility Assessment BEFORE a review or an audit assist me?**

It allows you to be proactive and not reactive. It can help you self identify issues of non-compliance. Helps you get a head start on a corrective action plan (Management Enhancement).

This product is designed to encourage you to determine which activities, or checklists you think are necessary to complete prior to a site visit or audit.

Helps you and your staff review and test their knowledge on Institutional Eligibility requirements.

**How can using the Institutional Eligibility Assessment AFTER a review or an audit assist me?**

After the FPRD is issued and closed, the school may want to complete a management enhancement that is directly related to the Institutional Eligibility findings. This process would encourage you to reevaluate any corrective actions that you, the auditor or program reviewer recommended and help determine if the cause of the finding has been fixed.



## Participant Exercise –1

You would like to ensure that all additional locations other than your main campus (where 50% or more of an eligible program is offered) have been approved by the ED Case Management Team that works with your school.

**1. What Activity in the Institutional Eligibility Assessment would be helpful to check additional locations on your campus? (Hint: From the menu on the Institutional Eligibility Module, click Reporting Changes To Title IV Application Data)**

**Activity #\_\_\_\_\_**

**2. This Activity informs you where you will need to locate a list of your school's current approved additional locations. According to the Activity, where would you find such a list? (Hint: Look in Activity #7 from the Institutional Eligibility Module)**

**3. What other offices do you think would need to be involved with this process?**



## Participant Exercise –2

You would also like to ensure that all non-degree programs have been approved by the ED Case Management Team that works with your school.

**1. What Activity in the Institutional Eligibility Assessment could you complete to help you with this process? Activity #\_\_\_\_\_ (Hint: From the menu on the Institutional Eligibility Module, click Reporting Changes To Title IV Application Data)**

**2. What other offices do you think would need to be involved in this process?**





### **Participant Exercise –3**

In preparation of your Recertification application, you want to ensure that all items related to your Recertification have been updated.

- 1. What other module related to Institutional Eligibility might be helpful for you to prepare for the Recertification process? (Hint: Look under the Final Checklist portion of the Institutional Eligibility Module)**



Here is an example of an Audit Finding and a completed Management Enhancement Form related to Scenario 1 on page 14

**Your Auditor's Report included the following finding :**

**Ineligible Location**

**FINDING:** The institution has a location where it offers 50 percent or more of a program and that location was not reported to or approved by the U.S. Department of Education.

Specifically, the school offered an eligible Pre-Med program at Mike Cagle Hospital in Washington, DC. That location was not listed on the Eligibility and Certification Approval Report (ECAR). Further, institutional officials reported to the auditor that several other additional locations were in the process of opening and no process was in place to notify the U.S. Department of Education of these locations if more 50 percent or more of an eligible program were to be offered at those locations.

Institutional officials acknowledged to the auditor that **Spring University** was aware of the requirement to report the additional location, but the Financial Aid Office was not aware that the school began offering 50 percent or more of an eligible program at the Mike Cagle Campus. Further, the Financial Aid Office at **Spring University** was unaware that the school was considering opening any other additional locations. Since the decisions to open locations are handled by the Academic Vice President's Office through the Registrar's Office, there was no system in place to keep the financial aid office, the office responsible for disbursing Title IV aid to eligible students, in the loop regarding this issue. Officials also acknowledged that there had been significant staff turnover in the last year, resulting in training issues and lack of communication between key offices.

Failure to report and receive approval for additional locations results in students receiving funds they are not entitled to, and causes increased expense for the Department.

**Let us demonstrate how using the Management Enhancement Worksheet can assist the school with a corrective action plan that will assist them with compliance.**



Management Enhancement Worksheet
<b>What module is this enhancement item related to? Institutional Eligibility Module</b>
<p><b>Enhancement Item:</b> (Provide a detailed description of the policy, procedure or system that needs to be improved).</p> <p>The school does not have a process to report additional locations to the Department. Specifically, the Registrar's office did not have a process for communicating to the Financial Aid Office when an additional location begins offering 50 percent or more of an eligible program.</p>
<p><b>Enhancement Action:</b> (Provide a detailed description of your plan of action to improve the above enhancement item)</p> <ol style="list-style-type: none"> <li>1. We plan to complete Activity #7 of the Institutional Eligibility Assessment</li> <li>2. Immediately Report all additional locations to the Department of Education as required</li> <li>3. Establish monthly meetings between the financial aid office and the Registrar's Office/Academic Vice President's Office.</li> <li>4. Develop a training program for continuing staff using the FSA Assessments</li> <li>5. Consistently use the Institutional Eligibility Module Activities to check compliance with this area</li> <li>6. Regularly update our Recertification information using the Recertification module</li> </ol>
<p><b>Offices that need to be involved:</b></p> <p>Financial Aid Office Registrars Office/Academic Vice President's Office</p>
<p><b>Lead Persons to Coordinate Management Enhancement Item:</b></p> <p><b>Name:</b> Siobahn Evans <b>Title:</b> Compliance Officer <b>Phone Number:</b> Extension X6192.</p>
<p><b>Near-Term Management Enhancement?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Long-Term Management Enhancement?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>Implementation Start Date:</b> 3/15/04</p>
<p><b>After implementation, explain the final results:</b></p> <p>We determined that there were two additional locations that were not reported to the Department of Education. We immediately reported those locations to the Department of Education and contacted the Case Team that serves our school to determine what we should do about the 15 students who received aid at the ineligible location. We also began monthly staff meetings between the financial aid office and the Registrar's office. We found that there were new locations being planned for the future and have already begun the approval process for those before aid will be disbursed.</p> <p>We will also update our policies and procedures manual to ensure that we have a process in place to regularly check for additional locations. We will review our ECAR quarterly to make sure all additional locations at our school (that offer 50 percent or more of an eligible program) have been reported to and approved by the U.S. Department of Education.</p>
<p><b>Date Policies and Procedures Manual updated to ensure problem does not reoccur: Policies and procedures updated 3/15/04 and annually each fall.</b></p>
<p><i>We recommend that your school annually review all management enhancement items to determine the effectiveness of enhancements implemented by your school.</i></p>



## Additional Scenario to consider

Now that we have reviewed the Institutional Eligibility Assessment, and have been introduced to the 22 assessments available, let us think about the following additional Scenario:



Let's imagine that... **Scenario 2**

Spring University had a program review that revealed findings regarding its institutional eligibility. The primary findings concerned administrative capability concerning coordination of aid and resulting overawards.

Title IV regulations state that institutions must have a system of identifying and resolving discrepancies in the FSA-related information received by various school offices. It appears that the several departments at the University have not been coordinating with the financial aid office concerning departmental awards and scholarships. Failure to disclose this information has resulted in some students receiving an incorrect Title IV award that reflects on the administrative capability of the institution to coordinate Title IV aid.

In response to the program review, the institution must revise its policies and procedures to correct this compliance issue. Both institutional eligibility and student eligibility are at stake.



QUESTION:

1. Lack of coordination of aid. Is that an Institutional Eligibility issue? \_\_yes\_\_no
2. Under what category is it found in the Institutional Eligibility Assessment? Under the \_\_\_\_\_ section.
3. What is the regulation citation? \_\_\_\_\_

**Now what corrective action will Spring University take to resolve this program review finding? Is there a document to help them?**

**Let us demonstrate how using the Management Enhancement Worksheet can assist the school with a corrective plan that will assist them with this task.**



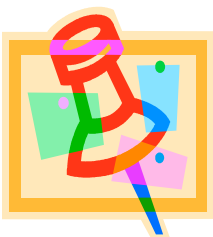
**Helpful Hints:**

**Annually completing an assessment and implementing Management Enhancements prior to any potential site visits can help a school:**

- ☐ **Establish a process to self-identify issues.**
- ☐ **Begin developing corrective action before an auditor or reviewer finds the same issue.**



Management Enhancement Worksheet
<b>What module is this enhancement item related to? Institutional Eligibility, Student Eligibility</b>
<p><b>Enhancement Item:</b> (Provide a detailed description of the policy, procedure or system that needs to be improved).</p> <p>The policy for determining coordination of aid from all sources needs to be revised. The school needs to develop a process to address the procedures and time frames all departments will use to notify the financial aid office of departmental awards and scholarships. Further, the school needs to develop a plan of action to conduct a file review to identify all students who were overawarded because of departmental awards and scholarships.</p>
<p><b>Enhancement Action:</b> (Provide a detailed description of your plan of action to improve the above enhancement item)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> We will work with senior management officials to draft a letter to all department heads concerning the program review finding. The letter is to be sent by the President of the institution.</li> <li><input type="checkbox"/> We will meet with all appropriate Departmental offices individually to discuss the Title IV regulations concerning coordination of aid and how need for Title IV funds is determined.</li> <li><input type="checkbox"/> We will arrange a meeting all of Departmental offices and senior management officials to formulate timeframes and notification procedures for notifying the financial aid office &amp; business office of departmental awards and ensure that agreed upon procedures are published and distributed to all appropriate offices.</li> <li><input type="checkbox"/> We will perform a file review, which will cover the last 3 years and the current academic year to identify students who have overawarded because of departmental awards and scholarships.</li> <li><input type="checkbox"/> We will determine the full extent of liability for students in the file review; and for the current year apply overaward procedures to reduce overawards in the current award year.</li> <li><input type="checkbox"/> We will provide a plan of action for each of the affected student to the Department of Education.</li> <li><input type="checkbox"/> We will provide the results of the file review to all departmental offices.</li> <li><input type="checkbox"/> We will work with Departmental offices and IT staff to determine if current changes are needed to better automate notification procedures between the offices.</li> </ul>
<p><b>Offices that need to be involved:</b></p> <p>Financial Aid Office, Business Office, Departmental Office.</p> <p>Possibly Systems staff depending on the results of consultation with appropriate offices.</p>
<p><b>Lead Persons to Coordinate Management Enhancement Item:</b></p> <p><b>Name:</b> Dr. William Driver  <b>Title:</b> Vice Chancellor  <b>Phone Number:</b> Extension X4567.</p>
<p><b>Near-Term Management Enhancement?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>Long-Term Management Enhancement?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>Implementation Start Date:</b> 2/23/04</p>
<p><b>After implementation, explain the final results:</b></p> <p>We determined that the system for notifying financial aid was obsolete and could be automated to provide timely notification. We worked with departmental offices and IT staff to amend systems programs to capture departmental awards and scholarships and developed automated reports that are produced each day during the normal awarding cycle in each departmental office.</p> <p>We have determined the exact number of students affected by the overaward and the total dollar liability and we are working with Case Management staff regarding repayment procedures.</p>
<p><b>Date Policies and Procedures Manual updated to ensure problem does not reoccur:</b> We updated our policies and procedures manual in May 04. We will re-visit this issue for the next 2 years to ensure that the process continues to work.</p>
<p><i>We recommend that your school annually review all management enhancement items to determine the effectiveness of enhancements implemented by your school.</i></p>



**Coming Soon - revision to the Administrative Capability Module, which will include more details regarding Coordination of Aid and other Administrative Capability requirements! Look for this revision later this Spring 2004!**

Making the most of the Management Enhancement Process:

- ★ **Management Enhancement Process is an important part of the FSA Assessment Activity.**
- ★ **When completing an assessment, complete a Management Enhancement Form for every area that you identify needing improvement.**
- ★ **Make sure you set realistic timeframes for completion of the enhancement and include all appropriate offices in the process.**
- ★ **The Management Enhancement process can be completed in the following ways:**
  1. **Print a blank form and complete the Management Enhancement Form “off-line.”**
  2. **Coming Soon!** The new interactive Management Enhancement Form will allow you to complete the form on-line and save it to your own computer!
- ★ **When completing the form “off-line”, it is recommended that you have several blank copies of the Management Enhancement Form at your desk as you complete an assessment. When you find areas that need improvement, simply pull out one of your blank forms, record**



**the area, and begin the process of making the improvement.**

- ★ **The key is to follow-through and involve all appropriate offices related to the improvement.**





## What About Effective Practices?

### What is an Effective Practice?

The Effective Practice database is a mechanism for schools to share financial aid management practices that work well on their campus (related to Title IV or not). This database is an ongoing project. You will see changes to the site as we further develop and make enhancements to this process.

An Effective Practice process allows schools to:

1. **Submit best practices on-line**
2. **Learn from each other by sharing the innovative and effective ways the school administers aid to their students or provides excellent customer service**



**The Effective Practice portion of our website is currently under construction!**

Schools are currently allowed to share Effective Practices on the Website. This site requires the school to log in and create a password in order to complete the Effective Practice Form. However, we are in the process of enhancing the site and **NO PASSWORD** will be required in order to submit an Effective Practice Form. Further, any school will eventually be able to view the Effective Practice Reports submitted by other schools. These enhancements should be completed within the next few months.

To share and view Effective Practices, you can click the link from any assessment or you can access the Effective Practice page at the following address:

<http://www.ifap.ed.gov/IFAPWebApp/qualityassurance/AppendixD.jsp>

On the next page, we have included a real example of an Effective Practice related to the Federal Perkins Program. *Take a few moments and review the Effective Practice. We hope this will encourage you to share an Effective Practice for your school!*



## Effective Practice Form (Example)

# Your colleagues need your insights.

*In advance, we thank you for  
volunteering to share practical knowledge with your student financial aid colleagues.  
Your partnership in this continuing information effort will help all concerned  
to further the goal of putting America's students through school.*

[Please submit one form for each effective practice.]

**Name of Institution: Spring College**

**Institutional Contact Person: Barbara Smart**

**Title: Director of Student Loans**

**Phone Number: 555-221-9999**

**Contact E- Mail address: BSmart@su.edu**

**Best Mode and Best Time to Reach the Contact Person: e-mail anytime**

### 1. What is the primary focus of this effective practice? Default Management – Late Stage Delinquency Assistance

Loan Repayment

Deferment

Hardship Deferment

Forbearance

Default Rate

### Web-based communication

Servicer communication

Inter-office communication

Intra-office team building

Borrower communication

Staff training



Other \_\_\_\_\_

**2. Does this effective practice relate to these Assessment Topics [check ALL that apply]? (in bold)**

Student Eligibility

General Fiscal Matters

Awarding Aid

Disbursing Aid

Satisfactory Progress

Reporting & Reconciling

Institutional Eligibility

Financial Responsibility & Cash Management

Consumer Information

Return of Title IV

Recertification

Perkins Due Diligence

Change In Ownership

Perkins Repayment

**Default Management**

Perkins Cancellation

Automation

Perkins Forbearance & Deferment

**OTHER (Provide topic heading that is best related to this effective practice)** \_\_\_\_\_

**3. Description of Effective Practice Activities**

- a) What are the **goals** of this practice? ***The goals are to reduce frequency of default in Late Stage Delinquent Stafford borrowers who are between 240 and 360 days delinquent. Hopefully this will result in lowering our default rate and reducing the amount of borrowers and dollars in default.***
- b) Please provide a **two-or-three sentence description** of activities: ***We obtained a list of borrowers who were between 240 and 360 days delinquent. We searched institutional records (and offices) for current address and phone information. We contacted those borrowers to request repayment to be sent to their lenders or to determine if the borrower needed to apply for deferment or forbearance.***
- c) In what **time frame** were these activities performed? ***We initiated Late Stage Delinquency Assistance efforts in October 2003. We contacted at least 5 borrowers each week and performed skiptracing efforts on 5 borrowers each week.***
- d) What **computer system / program** requirements did this effective practice require? ***I used Microsoft word to design the forms and Microsoft Excel to design a tracking document for number of borrowers contacted, number of borrowers needing***



*skiptracing, number of borrowers needing deferment or forbearance, and number of borrowers that submitted repayment.*

- e) If **publications** on your campus needed to be revised as a result of implementation of this effective practice, please indicate how this was accomplished? *N/A*
- f) How many **financial aid office staff members** did this effective practice involve? *Just two from the Student Loan Office: one to initiate the calls and track results and one from the Student Loan Office to perform skiptracing.*
- g) How many **staff members from other offices** did this effective practice involve [Please indicate **which other offices** were engaged]? *None.*
- h) Please estimate the **total implementation costs** for this practice (this information will provide colleagues with guidance concerning equipment, publications, staffing, etc.): *Minimal, just the staff time involved one hour each day to call borrowers or to skiptrace. There was no extra costs involved.*
- i) How did this practice **relate to and affect other key activities** in the student loan office? *First, our office is separate from the Financial Aid Office. We deal with FFEL lenders and guarantors regarding our FFEL portfolio and track information regarding our cohort default rate. We receive delinquency reports on a monthly basis and determined to use these reports to the school's advantage.*
- j) What were the desired **outcomes** for this practice? How did you **measure** them? *To make borrowers more of their loan repayment obligation, to increase repayment of student loans, and to counsel students on deferment options. We can see a definite increase in repayment and decrease in the number of borrowers on the Delinquency List.*
- k) Were the **expected benefits** realized? Were there **unexpected benefits or costs**? *I would say yes, the benefit to the borrower a better repayment history or placement in a deferred status. The benefit to the schools was a better cohort default rate. We reduced the number of borrowers on our Delinquency list by 40%!*
- l) As you implemented this practice, what **mid-course corrections** did you: 1) **consider**; and 2) **decide to make**? *Better skiptracing tools. We obtained excellent information from our Alumni Office and from web-based skiptracing options.*
- m) Is this effective practice **an ongoing effort**? *Yes.*



n) If not an ongoing effort, **will this effective practice be repeated? *Definitely.***

#### 4. Institutional characteristics:

##### Type of Institution:

☐ 2-year public ☒ **4-year public** ☐ 4-year private ☐ Career college/private vocational

##### Size of Institution:

☐ **Small** (1-800 Financial aid recipients)  
☐ **Medium** (801-10,000 financial aid recipients) or  
☒ **Large** (10,001+ financial aid recipients)

##### Title IV participation (check all that apply):

<input checked="" type="checkbox"/> <b>Graduate Aid</b>	<input checked="" type="checkbox"/> <b>Undergraduate aid</b>	<input checked="" type="checkbox"/> <b>Federal Pell Grant</b>
<input type="checkbox"/> <b>Federal SEOG</b>	<input checked="" type="checkbox"/> <b>Federal Perkins Loan</b>	<input type="checkbox"/> <b>Plus Loan</b>
<input checked="" type="checkbox"/> <b>FFEL Subsidized</b>	<input type="checkbox"/> <b>Direct Loan Subsidized</b>	
<input checked="" type="checkbox"/> <b>FFEL Un-Subsidized</b>	<input type="checkbox"/> <b>Direct Loan Un-Subsidized</b>	
<input type="checkbox"/> <b>Distance Learning Pilot</b>	<input type="checkbox"/> <b>Experimental Site</b>	<input type="checkbox"/> <b>QA Program Participant</b>



## **In Summary:**

- ★ **The more you put into the FSA Assessment process, the more you get out of it!**
- ★ **Financial Aid should be a school-wide effort! The financial aid office is not the only office involved in the Financial Aid process.**
- ★ **The Assessments can be used to prevent compliance issues or help with resolving current compliance issues.**
- ★ **With the hyperlinks to current regulations and other publications, the assessments can also be a great learning tool or resource to find the answer to many Title IV issues.**
- ★ **Consider completing assessments related to any audit or program review issues brought up at your school.**
- ★ **If your school has no issues, consider completing at least two assessments per year.**

**Please visit the PC lab to review the assessments in more detail!**

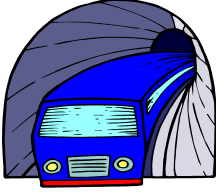
**What Assessments will you begin when you get back to your campus?**

1.	_____
2.	_____
3.	_____
4.	_____
5.	_____
6.	_____



## QUESTIONS

**We appreciate your feedback and comments. We can be reached:**  
**[qualityassurance@ed.gov](mailto:qualityassurance@ed.gov)**



Answer Key PARTICIPANT EXERCISE: Institutional Eligibility

Questions on Page 11 of training materials

1. **Contractual Agreement**
2. **50 percent**
3. **Accrediting Agency and State Agency**
4. **True**

Questions of Page 13 of training materials

1. **50 percent or more**
2. **10 calendar days**

Participant Exercise – 1 (page 16 of training materials)

1. **Complete Activity #7**
2. **A list of approved programs can be found by locating a copy of the school's Program Participation Agreement (PPA) and Eligibility & Recertification Approval Report (ECAR)**
3. **Other offices involved in this process could include Registrar's Office, Academic Vice President, and/or any other office on campus responsible for Academic Programs**

Participant Exercise – 2 (Page 16 of training materials)

1. **Complete Activity #8**
2. **Other offices involved in the process could include Registrar's Office, Academic Vice President's Office, Office of Vocational Training, and/or any other office on campus responsible for Academic Programs.**

Participant Exercise – 3 (Page 17 of training materials)

1. **The school could complete the Recertification Module.**

Questions of Page 20 of training materials (Scenario 2)

1. **Yes**
2. **Administrative Capability Section**
3. **668.16**